As a follow-up to Secretary Kriss' memo detailing the new IT Object class, I wanted to share with you the approach we will undertake to develop IT operating metrics.

As a starting point, we will analyze the spending trends by Secretariat and Agency as a percentage of overall budgets and develop a comparison matrix. Then we assemble a breakdown by the replaced and new object codes to yield greater specificity by these categories. We will work with your IT team to truly understand the factors that will drive variability (i.e. geographic dispersion fostering larger telecommunications costs) in your expenditures. We will also measure the financial impact on each of these line items and overall cost structure of deploying share services versus standalone operations. These first steps should give us a solid foundation to really understand the current IT spending in the Executive Branch.

As a part of the next step, we will do an analysis of the follow-on operational investment to the capital funds that have been expended. The Commonwealth has had a tendency to build but not sufficiently maintain, financially and otherwise, our capital investments. We will build a report card on how well we are continuing to appropriately support our capital projects.

The next concurrent steps to our internal focus will be an outreach to research firms and other states to assemble data for a benchmarking exercise. There is a tremendous amount of available data to help us understand where we are vis-à-vis our compatriots in government and the private sector. While you may not believe the private sector is relevant, there are many areas where our operations are exact shadows of their operations.

The results of this endeavor will be a very detailed analysis and spending trend of IT activity in the Executive Branch. From this report, we will then develop operating spend matrices for each of the 13 object codes by secretariat and agency and begin to create operating metrics.

I would expect that we will begin publishing operating metrics by mid November, 2005.

Thanks in advance for your support and anticipated contribution to this very important initiative. Information technology does and will continue to play a very significant role in helping to address the current cost of government. We will continue to be challenged by revenues on one front and rising healthcare costs on the other, forcing all of us to continue to improve our ability to leverage those tools to help stem a very difficult trend. This is just one of several initiatives to help facilitate appropriate and effective information technology in the Commonwealth.